

service, this leaves only \$.029582 per minute (\$.114854-.085272= \$.029582). Of the \$.029582, I have included switched transport rates for a distance of 25 miles (the rate per mile per minute is \$.0004). The \$.029582 rate presumably makes a return above cost. GTE has room to lower its terminating usage rates below the current \$.05071 per minute and still profit.

<sup>21</sup> See Southwestern Bell Local Exchange Tariff at paragraph 5.6 which gives the details of the San Antonio Metropolitan Exchange calling scope. Bulverde customers may subscribe to Extended Metropolitan Service for San Antonio local calling.

<sup>22</sup> Per December 10, 1993 telephone conversation with Product Manager for United Telephone Company, the Holton tandem has been, or soon will be, downgraded to a class 4 office. Its tributaries will be re-homed on United's Hiawatha tandem.

<sup>23</sup> See Southwestern Bell's Kansas Radio Common Carrier Interconnection Tariff at paragraph 1.4.5 which states "[t]andem (Type 2A) interconnections require the carrier to designate an end office to determine the tandem interconnection service's local calling scope and rate center." Under contract United Telephone Company of Kansas could allow a similar approach.

<sup>24</sup> The carrier common line rate becomes \$.0061 on January 1, 1994; and goes to zero on January 1, 1995 per Southwestern Bell's Kansas Access Service Tariff at §3.8.

<sup>25</sup> *Id.*

<sup>26</sup> The MSAs without not having current alternatives are noted on Exhibit A as "no options."

## EXHIBIT A

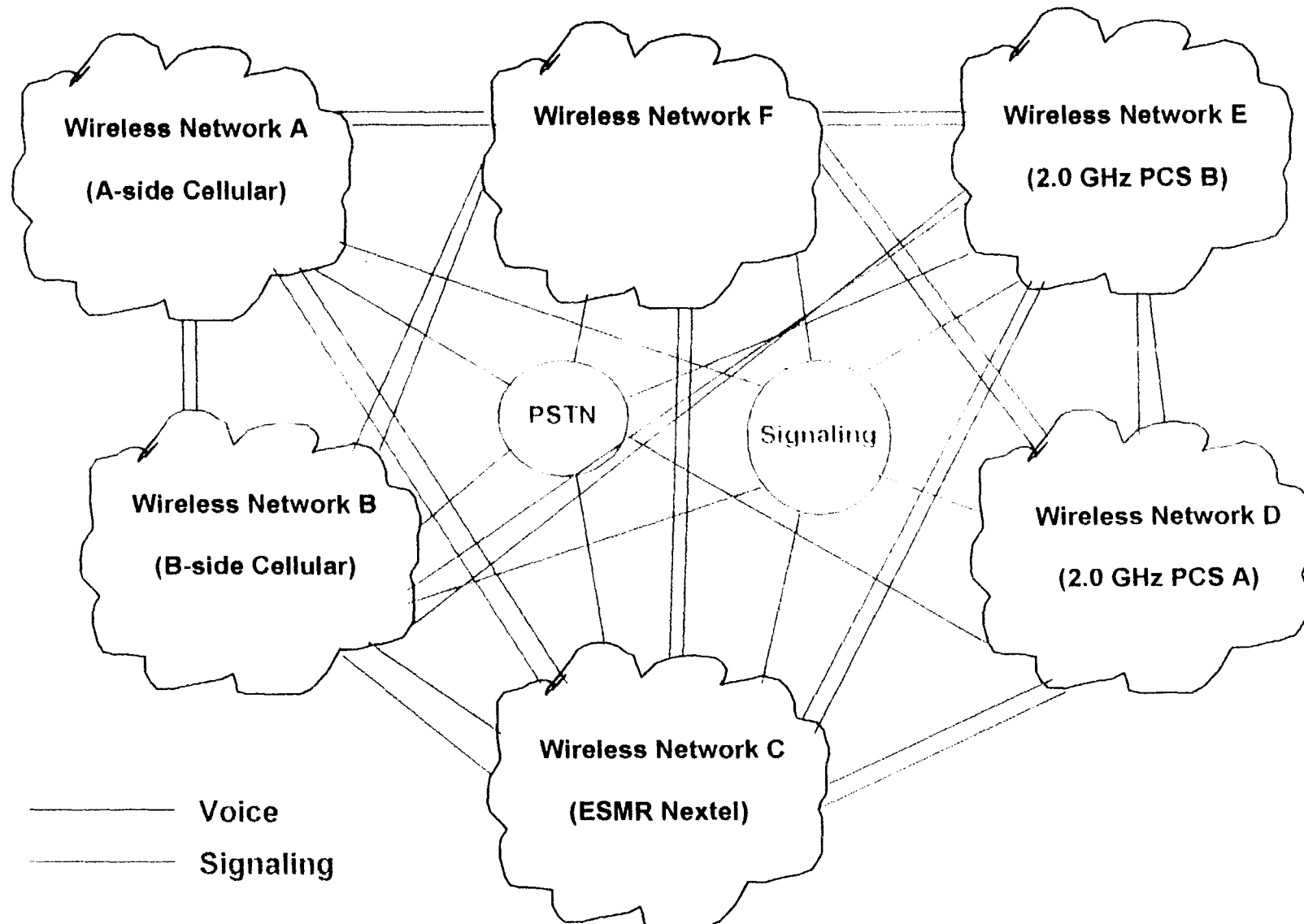
### TANDEM SERVING OPTIONS

## TANDEM SERVING OPTIONS

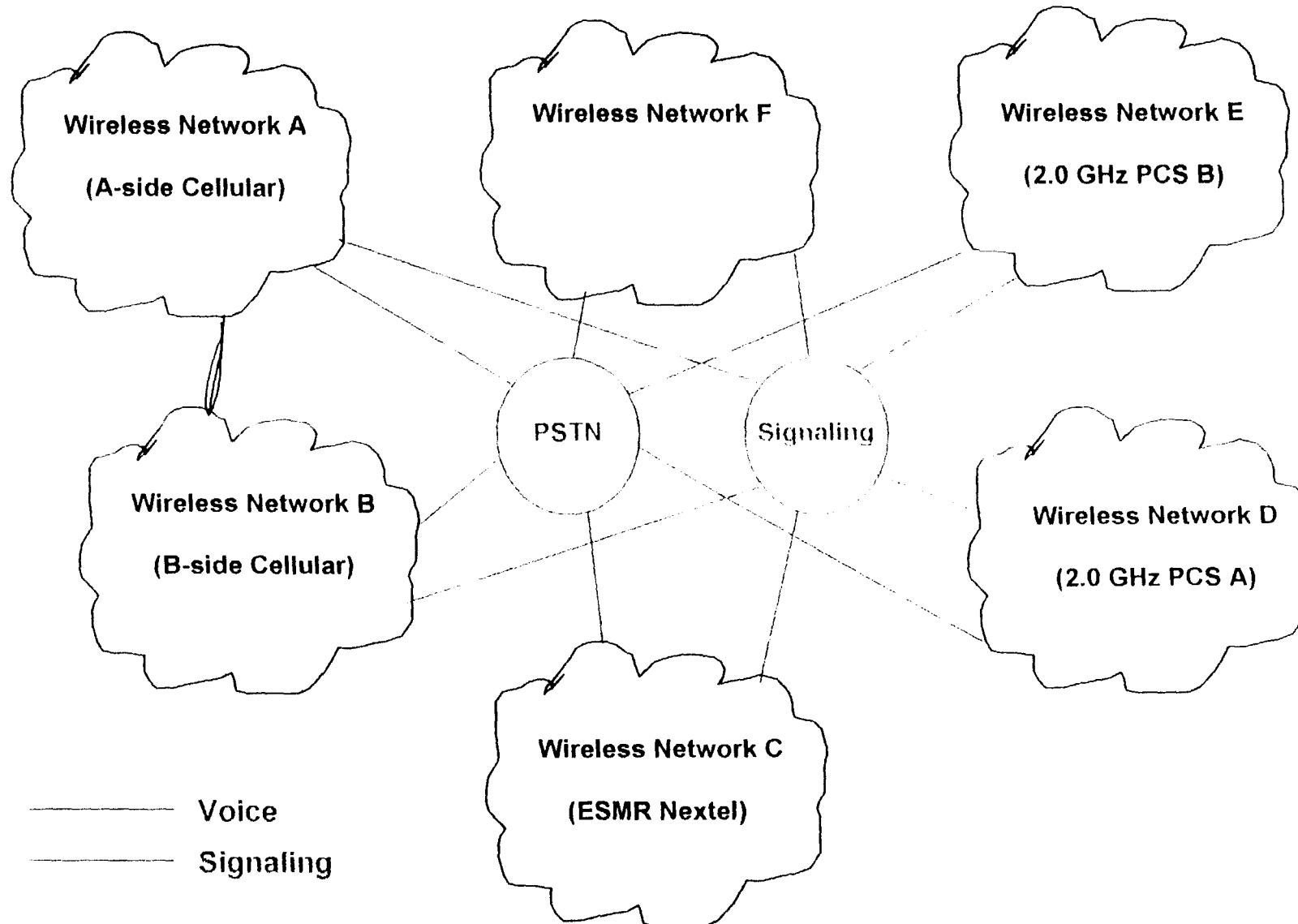
MSA	SWBT Tandem	Non-SWBT Tandem
Abilene	Abilene	no options
Amarillo	Amarillo	no options
Brownsville	Harlingen	Raymondville (Valley Tel Co)
Corpus Christi	Corpus Christi	Port Lavaca (GTE)
Dallas	Dallas	*Irving (GTE)
Ft Worth	Ft Worth	*Irving (GTE)
Houston	Houston	*Baytown (GTE) *Dickinson (GTE) *Katy (Ft Bend Tel Co) *Sugar Land (Sugar Land Tel Co)
Kansas City	Kansas City, MO Kansas City, KS	Warrensburg (United)
Lubbock	Lubbock	no options
Midland/Odessa	Midland	no options
Oklahoma City	Oklahoma City	*Kingfisher (Pioneer)
San Antonio	San Antonio	*Bulverde (Guadalupe Valley Tel Coop)
St Louis	St Louis	Collinsville (Illinois Bell) *Wentzville (GTE)
Topeka	Topeka	Holton (United)
Wichita	Wichita	No options

\*In the same local, EAS or metropolitan serving area calling scope as the Southwestern Bell Telephone Co. tandem.

## Wireless Network Interconnection Mandatory Access between All Providers



# Wireless Network Interconnection Mandatory PSTN and Signaling Backbone Access



**EX PARTE PRESENTATION OF  
SBC COMMUNICATIONS INC.**

**and**

**SOUTHWESTERN BELL MOBILE SYSTEMS, INC.**

**FCC DOCKET 94-54**

**EQUAL ACCESS**

**January 24, 1995**

**Commissioner Quello's Separate Statement:**

**"I believe that we should be asking how a competitive market for mobile communications will allow us to remove regulatory impediments rather than grafting regulatory stop-gap measures upon a family of services yet to be developed and offered by competitors to the public."**

**Commissioner Barrett's Separate Statement:**

**"Rather, I believe the Commission's goal should be to develop a transition plan away from MFJ restrictions in the wireless area, and bring everyone into relative parity based on the evolution of full competition in the PCS market."**

**Commissioner Chong's Separate Statement:**

**"I believe it is important for the Commission carefully to consider the evolving nature of competition in commercial radio services, generally, prior to reaching any final decisions in this proceeding regarding equal access and interconnection issues with respect to any CMRS provider."**

**SOUTHWESTERN BELL MOBILE SYSTEMS IS THE MOST  
SUCCESSFUL CELLULAR PROVIDER IN THE UNITED STATES**

**SBMS' FOCUS IS ON THE CUSTOMER**

- **SBMS' penetration rates are the highest in the industry, exceeding 7%.**
- **"SBC's cellular operations are by far the strongest in the cellular industry with penetration rates of 7%, nearly double the industry average . . ."**  
**December 8, 1994 analysis by Richard G. Klugman of Paine Webber.**

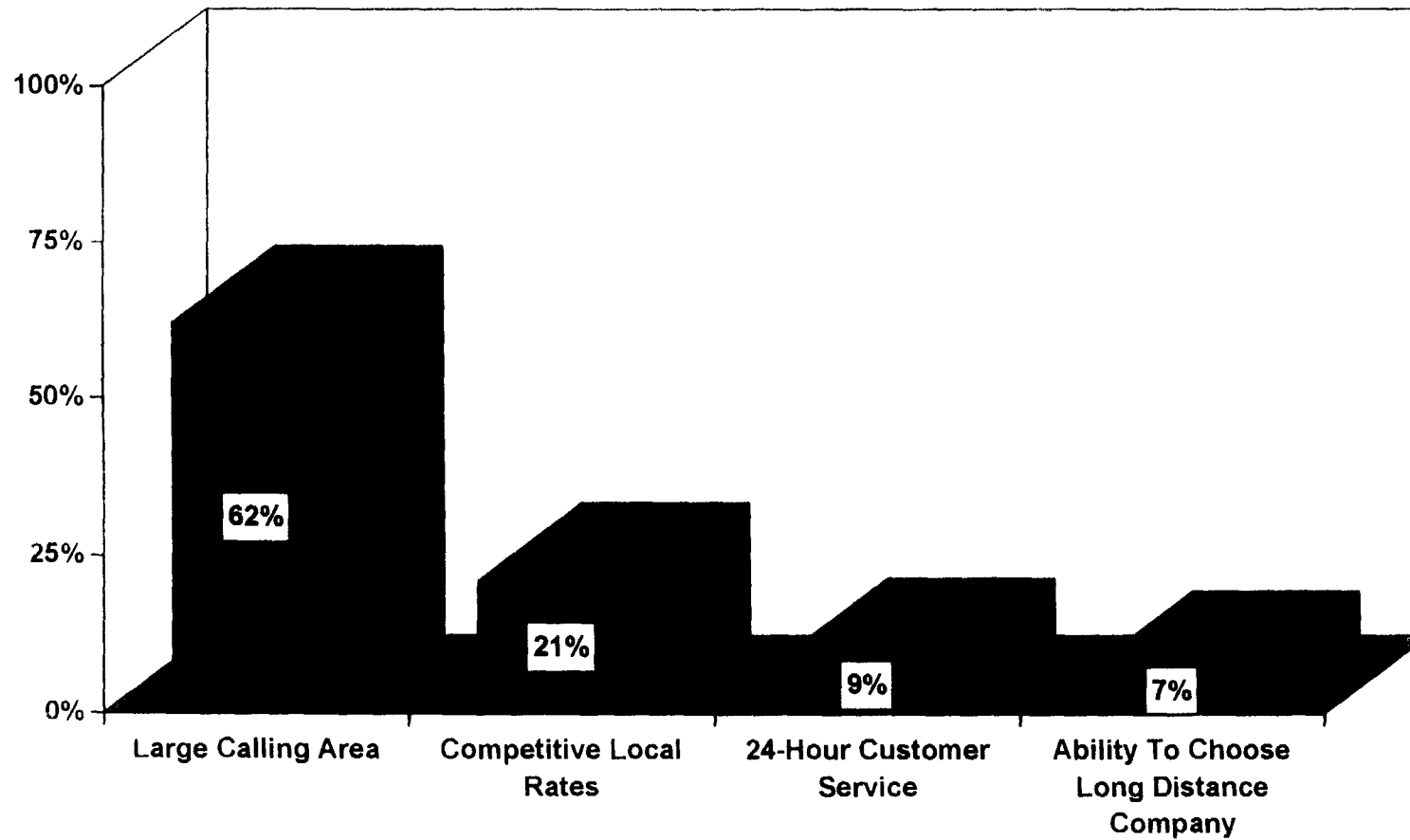


**THE FCC SHOULD ALSO FOCUS ON THE CUSTOMER**

- **What does the "customer" want?**
  - **Larger calling scopes is king.**
  - **If equal access is what the customers wanted, all cellular carriers would be offering it to remain competitive. Only those carriers required to do so offer equal access today.**
  - **Mobility is why customers choose wireless.**
  - **Customers want local calls wherever possible.**
- **SBMS asked its customers to rate the importance of four elements of its services.**
  - **Larger Calling Areas**

- **Competitive Local Rates**
- **24 Hour Customer Service**
- **Choice of Long Distance Carriers**
- **62% of the respondents said LARGE CALLING AREA was their first choice.**
- **Only 7% of the respondents said ABILITY TO CHOOSE LONG DISTANCE COMPANY was their first choice.**
- **44% of the respondents rated choice of long distance company as THE LEAST IMPORTANT of these four factors. [See Attached Chart]**
- **The following ads show what the customer wants, where wireless carriers have provided that in the past and how equal access prevents customers from getting what they want.**

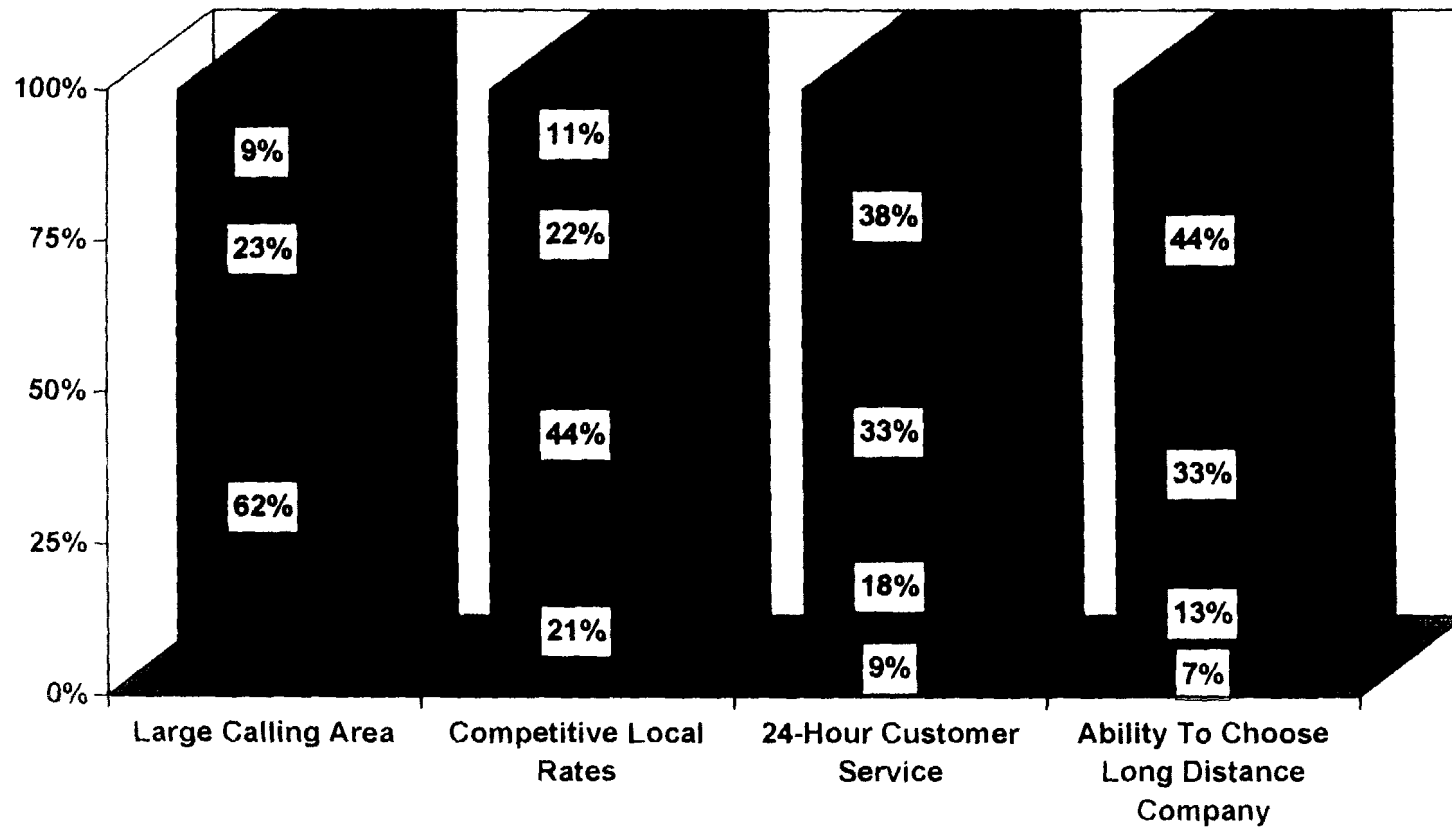
## ATTRIBUTE RATED MOST IMPORTANT



Question: "Next, I'd like to read you a list of four items associated with cellular service. After I read them, I'll ask you to tell me which is the most important to you, next most important, and so on...."

Source: Statistical Tables 13, 14, 15, 16

## IMPORTANCE RANKING OF ATTRIBUTES



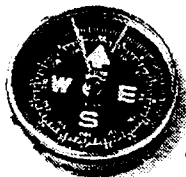
Most Important
  Second Most Important
  Third Most Important
  Least Important
  Don't Know/No Answer

Question: "Next, I'd like to read you a list of four items associated with cellular service. After I read them, I'll ask you to tell me which is the most important to you, next most important, and so on...."

Source: Statistical Tables 13, 14, 15, 16

# If you really want to find out which cellular service is more affordable, call around.

Call Austin. Call Corpus Christi. Call San Marcos or Pleasanton or Kingsville. In fact, call just about anywhere in South Texas and you'll see the



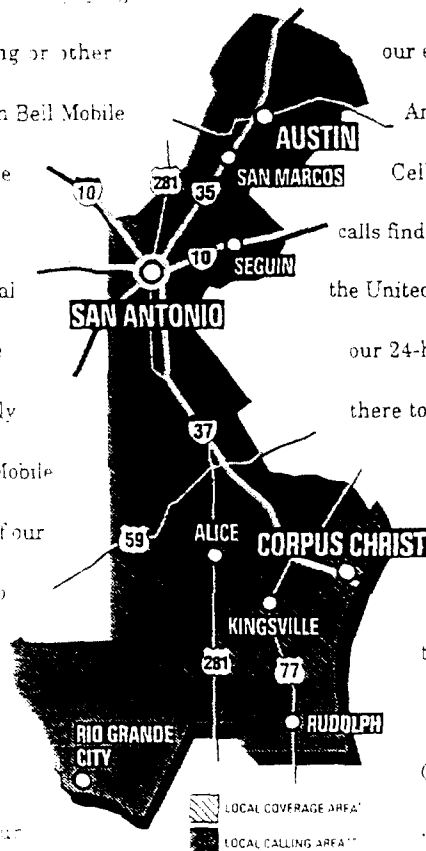
difference. Because you'll be paying long distance, roaming or other charges with Southwestern Bell Mobile

Systems. But you won't with Cellular One **BIGGER AREA. SMALLER BILLS.**

Cellular One's new SuperSystem™ local calling area covers over 19,000 square miles of South Texas. That's substantially more than you get with Southwestern Bell Mobile Systems. And when you sign up with one of our SuperSystem rate plans, you can call to anywhere in the area from anywhere in the area with absolutely no long distance charges. Or roaming charges. Just the basic rate you pay for anytime with your Cellular One SuperSystem rate plan.

**THE MOST CONVENIENT SERVICE AROUND.**

Cellular One also offers innovative features like VoiceTouch™



Long Distance Charge*	San Antonio to Austin	San Antonio to Corpus Christi	Corpus Christi to Austin
Cellular One	\$0.00	\$0.00	\$0.00
Southwestern Bell Mobile Systems	\$.81	\$.85	\$.85

\*Based on a 3 minute call using AT&T Long Distance between specified cities made between the hours of 8am and 5pm.

our exclusive voice-activated dialing service.

And the convenience of the North American Cellular Network™ which makes sure your calls find you in over 2,200 major cities throughout the United States and Canada. And MobileAssist,™ our 24-hour emergency roadside service that's there to help you any time, any place you travel.

## START CALLING THE SHOTS.

The shortest distance between you and no long distance costs is a phone call to Cellular One. Our number is 861-7070.

Or you can come by our Customer Convenience Center located at Vance Jackson and Northwest Loop 410.

So what are you waiting for? **861-7070**

Sign up for Cellular One's new SuperSystem today.

# CELLULARONE

IMAGINE NO LIMITS™

And you won't have to pay long distance down the road.

It's  
**NEW**  
It's  
**BIG**  
It's  
**FREE**

*Cellular One Proudly Introduces  
The Digital Super System*

It's the largest cellular coverage area in Texas.

Spanning dozens of counties, over 50 cities and over 25,000 square miles of  
the clearest coverage available anywhere.

Which means important calls will reach you - hassle free - over more of Texas than  
any other cellular service available.

It's New. It's Big. It's Cellular One.

*Special, Limited Time Introductory Offer:*

**Enjoy 3 Months of FREE Service!**

Call Now and there's no charge to sign up!

**1-800-687-2091**

**CELLULARONE®**  
of West Texas

Includes: Free service access & up to 500 minutes  
of FREE Talk Time every month for three whole  
months! Offer valid for selected service plans.  
Some restrictions apply. So call now for details.

4612 Billingsley (off Loop 250 at Midkiff), Midland

FROM: S B M S Sales

MOBILE

TO

JAYNA ANDERSON P.00


**DOBSON  
CELLULAR  
SYSTEMS**
**Mobile Telephone Bill**

Number	Mobile No.	Invoice	Bill Date	Payment Due Date
2000-504	2000-010-0000	23770	08/22/94	09/13/94

P.O. BOX 13310  
OKLAHOMA CITY, OK 73113-1310  
400-845-4011

Previous Balance	Payments Received	Credit Adjustments	Balance Forward	Late Payment Fee	Current Monthly Charges	Total Amount Due
0.00	0.00	0.00	0.00	0.00	0.00	0.00

**INTRODUCING PERFECTPLAN AND PERFECTPLAN PLUS**

NEVER HAS A RATE PLAN BEEN SO SIMPLE. WITH DOBSON CELLULAR'S NEW PERFECTPLAN YOU'RE ALWAYS ON THE RIGHT PLAN. BE ON THE LOOKOUT FOR A LETTER ON OUR UNIFORM RATE PLAN FOR EVERY DOBSON CELLULAR SYSTEMS CUSTOMER. ALSO NEW TO OUR CUSTOMER BASE ARE OUR SUPPLEMENTAL FEATURES: 48 STATE TOLL FREE CALLING, PERFECTPLAN PLUS, AND AUTO HELP LINE.

**AUG 26 1994**

48 STATE TOLL FREE CALLING IS A PRODUCT ALLOWING SUBSCRIBING CUSTOMERS THE ABILITY TO CALL FROM THE DOBSON HOME AREA TO ANYWHERE IN THE CONTINENTAL UNITED STATES WITHOUT INCURRING LONG-DISTANCE CHARGES. FOR ONE, LOW MONTHLY FEE OF \$5.95, WITH AUTO HELP LINE, HAVE ACCESS TO MECHANICAL FIRST AID, TIRE SERVICE, BATTERY ASSISTANCE, EMERGENCY GASOLINE DELIVERY, TOWING, AND LOCKED CAR SERVICES...ALL FOR \$2.00 PER MONTH.

Please Return This Portion With Your Remittance!

Acct. Number	Invoice	Cycle	Bill Date	Due Date	Amount Due
200004504	23770	94-03	08/22/94	09/13/94	\$0.00

Amount Enclosed \$


**DOBSON  
CELLULAR  
SYSTEMS**

Please Remit Payment To:

SUBMIT TO: BELL  
MOBILE SYSTEMS  
KEVIN WICK HANSKER  
6001 N. W. 10TH SUITE 8  
OKLAHOMA CITY, OK 73106

DOBSON CELLULAR SYSTEMS  
P.O. BOX 13310  
OKLAHOMA CITY, OK 73113-1310

# PerfectPlan

**DOBSON**  
CELLULAR SYSTEMS



## PerfectPlan

**\$30.00**

One plan fits all. Includes first 60 minutes (Peak and Off-Peak combined). Local Home Airtime. \$25 activation fee.\*

## Optional Features

- |                   |        |                      |        |
|-------------------|--------|----------------------|--------|
| • Voice Mail      | \$5.95 | • Detailed Billing   | \$2.50 |
| • Call Waiting    | \$1.50 | • Auto Help Line     | \$2.00 |
| • 3-Way Calling   | \$2.25 | • 48 State Toll Free | \$5.95 |
| • Call Forwarding | \$2.25 | (From home area)     |        |

## PerfectPlan Plus

**\$39.95**

Includes first 60 minutes (Peak and Off-Peak combined). Local Home Airtime. \$25 activation fee.\*

- |                   |                    |                      |
|-------------------|--------------------|----------------------|
| • Call Waiting    | • 3-Way Calling    | • Auto Help Line     |
| • Call Forwarding | • Detailed Billing | • 48 State Toll Free |
|                   |                    | (From home area)     |

\*\$25 activation fee and one year service contract required for each number.

## Plan Examples

Rate plan is determined by amount of usage and all minutes are retroactive from 61 minutes forward. Based on 80% Peak and 20% Off-Peak use

Minutes of Usage				TOTAL COST		
	Peak	Off-Peak	Per Minute Average	Minutes Used	Dobson PerfectPlan	Dobson Old Plan
60 Incl. in Plan			.50	60	30.00	30.00
61 to 120	.40	.25	.44	120	52.20	52.20
121 to 200	.38	.25	.40	200	79.56	79.20
201 to 300	.37	.24	.38	300	112.56	110.40
301 to 400	.30	.20	.32	400	125.20	138.40
401 to 500	.26	.20	.28	500	139.12	155.00
501 to 1000	.24	.20	.25	1000	243.08	270.00
1000 +	.20	.20	.22	1200	258.00	320.00
	.20	.20	.22	1500	318.00	395.00
	.20	.20	.22	2000	418.00	520.00

Peak airtime is 7 a.m. to 7:30 p.m., weekdays. Off-Peak airtime is 8 a.m. to 5:59 p.m., weekdays. All weekends and the following holidays: New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Rates subject to change without notice. All airtime is billed in one minute increments.



A GIFT TO OUR CUSTOMERS



## JINGLE BELLS.

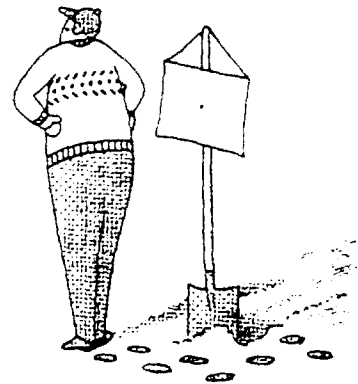
At GTE Mobilnet, we appreciate our customers. This holiday, we're giving you free long distance to anywhere in the continental U.S. from Christmas Eve to New Year's Day — making it easier for you to enjoy special moments with relatives and friends you can't be with. So call by the compliments of GTE Mobilnet. And discover the sound of a cellular company that really knows how to say thanks.

1-800-800-4GTE

**GTE Mobilnet®**

More Than Cellular Phones. Cellular Service.®

Call must originate and terminate from customer's cellular phone. Free long distance from December 12, 1992 through January 1, 1993. Activation, premium, direction assistance and long distance restrictions may apply. Time restrictions apply. ©1992 GTE of America, Inc.



## SILENT NIGHT.

[ THE OTHER GUYS. ]

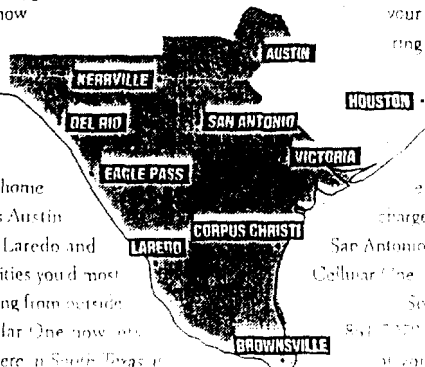
# Big time savings are in your grasp.



## Cellular One now offers a new, expanded home calling area.

At Cellular One, we know how difficult it is to hang on to your hard earned money. So we've come up with a way to help you save big time.

It's our new, expanded home calling area. And it includes Austin, Victoria, Corpus Christi, Laredo and Fredericksburg—all the cities you'd most likely be in if you were calling from outside San Antonio. In fact, Cellular One now lets you call just about anywhere in South Texas.



your home airtime rate without incurring extra costs like roaming charges.

And as always, you won't have to pay any interconnect fees.

What's more, until

June 30, 1995 you'll get an extra benefit: no long distance charges for calls placed between Austin,

San Antonio and Corpus Christi. Now, with Cellular One, savings are bigger. And better.

So start by today, or call us at 861-7070. And start holding on to more of your money.

## CELLULAR ONE

IMAGINE NO LIMITS\*

Conveniently located at 2727 N.W. Loop 410 at Vance Jackson • 861-7070

**Free Long Distance Until June 30, 1995 From Corpus Christi All The Way To Austin.**

\*No long distance charges for calls originating and terminating in Austin, San Antonio, Corpus Christi and other cities located along the I-35 corridor between Austin and Corpus Christi. [Applicable to certain rate plans only.] Other restrictions may apply. SuperSystem extended rate plans are available only to subscribers with a calling address within the contract area. Service subject to change without notice.

© 1994 Cellular One Communications, Inc.

**WHAT IS EQUAL ACCESS?**

- **Interexchange carrier interconnection to the wireless provider's switch.**
- **Wireless customers choosing their long distance carrier.**
- **Local calling scopes established by regulators rather than the marketplace.**

## WHY DO INTEREXCHANGE CARRIERS WANT EQUAL ACCESS?

- Interexchange carriers currently charge noncompetitive rates to cellular customers.
  - Interexchange carriers' costs for originating interexchange calls are lower than landline calls. Those lower costs have not been passed on to the customer.
  - Only large customers get reduced rates from interexchange carriers in an equal access environment. Interexchange carriers do not offer reduced rates to individual customers.
  - Who serves John Q. Public?
    - . No one in an equal access environment.
    - . Individual customers have no leverage to negotiate reduced rates or volume discounts.

- . In an equal access environment individual customers who pay retail IXC rates subsidize volume discounts which IXCs grant to large customers. [See Dow chemical Affidavit attached.]
- . These large customers do not need equal access to obtain these benefits--**COMPETITION** will ensure they get it.
- . The wireless providers, with volume purchases, can negotiate lower rates.
- Equal Access protects those who least need it:
  - . IXCs
  - . Large corporations/volume users of services.
- Interexchange carriers do not want to have to negotiate with cellular carriers as large customers.

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBLA

UNITED STATES OF AMERICA

Plaintiff,

v.

Civil Action No. 82-0192 HHG

WESTERN ELECTRIC COMPANY,  
INC., and AMERICAN TELEPHONE  
AND TELEGRAPH COMPANY.

Defendants.

AFFIDAVIT OF LARRY JACOBS

STATE OF MICHIGAN )  
 ) ss.:  
COUNTY OF MIDLAND )

Larry Jacobs, being duly sworn, deposes and says:

1. I am the Telecommunications Associate for The Dow Chemical Company ("Dow Chemical"). I work in the Information Systems Department of Dow Chemical which is located at company headquarters at 2040 Willard H. Dow Center, Midland, Michigan 48674. I am responsible for advising Dow Chemical, including its various divisions and subsidiaries, located throughout the United States and worldwide, on the types of telecommunications technologies that would satisfy the company's varied requirements for telecommunications services. In this capacity I am responsible for, among other things, advising the company on the types of long distance telecommunications technologies that would fulfill the company's long distance telecommunications needs. Additionally, when Dow Chemical enters into contract negotiations with providers of telecommunications services, I provide advice to the company on proposed contract terms. I have worked for Dow Chemical

in the area of computer systems and telecommunications, in a variety of positions, for over thirty-two years.

2. I have held my current position for about seven years. Based on the knowledge I have gained about telecommunications technologies during my tenure at Dow Chemical, I am regarded by the company as a Subject Matter Expert in this area. All of the facts contained in this affidavit are based on my personal knowledge or based on information that Dow Chemical keeps in the ordinary course of its business.

3. Dow Chemical began purchasing cellular telephone service in the mid-1980's, principally for use by employees within the company's field marketing and sales department. Cellular telephone service is now also being used by employees within a number of other departments. The employees who use cellular service are located in over 50 locations which are scattered throughout the continental United States. At the time Dow Chemical began purchasing cellular telephone services, these services were not offered by any one carrier on a nationwide basis. Rather cellular services were offered by providers on a local basis only.

4. Accordingly, Dow Chemical did not centralize its purchases of cellular telephone services. Instead, individual sales offices within our field marketing and sales department made their own determinations as to which of the two cellular providers in their area they would purchase service from. Some of the sales offices selected cellular providers that are subject to equal access, and hence were able to select the carrier from whom they would purchase cellular long distance services. Other sales offices did not select carriers who are subject to equal access requirements and hence were required to buy cellular long distance service from their cellular carrier. Currently, Dow Chemical has over 2700 cellular telephones for use by its employees and the company purchases cellular service from 132 suppliers.

5. Dow Chemical purchases landline long distance services on a centralized basis, for use throughout the country, from both MCI and AT&T pursuant to contracts which provide Dow Chemical with substantial discounts over each of these carrier's premium tariff long distance rates. More specifically, we have entered into a Special Contract Agreement with MCI pursuant to which we purchase MCI's Virtual Network long distance services (the "V-Net Contract.") We have also entered into a Contract Tariff with AT&T pursuant to which we purchase Software Defined Network long distance services (the "SDN Contract.") Our contracts with both MCI and AT&T for these services are published tariffs. Under each of these contracts Dow Chemical receives more than a 50% discount off of AT&T and MCIs' premium tariff long distance rates. These discounts are based on volume purchases of long distance services. Dow Chemical spends about \$13 to \$14 million annually on long distance services.

6. Beginning in 1990 as part of my general responsibilities, I requested that the various locations of our company review their long distance telephone bills and report back to me if they had any concerns about the cost of their long distance telephone service. A number of locations reported that their costs for cellular long distance service were too high and requested that I do something about this. Between the fourth quarter of 1990, and the first quarter of 1991, I reviewed a number of the company's invoices for cellular long distance service and determined that the company was paying on the order of 25%-50% more for cellular long distance service than it was for landline long distance service under our V-Net and SDN Contracts with, respectively, MCI and AT&T. To reduce the costs of the company's cellular long distance service, I recommended to the company that it consider arranging to have its cellular long distance traffic carried by MCI under the terms of our V-Net Contract. Bill Versavage, manager, sales office support systems, accepted my recommendation.



7. Around the first quarter of 1991, Dow Chemical entered into a pilot study with MCI to determine whether it would be administratively and technologically feasible to have Dow Chemical's cellular long distance traffic carried by MCI pursuant to the terms of our V-Net Contract. The study was successful and about the third quarter of 1991 Dow Chemical requested that MCI arrange to have the company's cellular long distance traffic carried by MCI under the terms of this contract. MCI went about implementing this directive; however, it informed us that some of the cellular providers used by our field offices are not subject to equal access requirements, and hence would not allow Dow Chemical to use MCI to carry cellular long distance traffic.

8. Dow Chemical recognized that it could remedy this problem by requiring the locations that purchase service from non-equal access cellular carriers to switch their purchases to the equal access carrier in their area (if there was one). Dow Chemical decided, however, not to pursue this option for the following reason. Changing carriers would have required our salespersons to change their cellular telephone numbers. This in turn would have caused significant disruption to our sales personnel as their existing cellular telephone numbers are known to their actual and potential customers. Dow Chemical decided that the potential cost savings from requiring these locations to switch to an equal access cellular carrier were not worth the disruption to our sales personnel and sales operations. Currently, about one quarter of the cellular phones used by employees of Dow Chemical are using our V-Net long distance cellular service with MCI.

9. In March of 1994 Dow Chemical instituted a Task Force whose purpose was to study the cost of cellular telephone service to Dow Chemical. In my capacity as Telecommunications Associate I contributed to the efforts of the Task Force. In June of 1994, the Task Force issued a report which stated that the company was spending about \$5 million annually for cellular telephone service. The report